

## 110 Million Entered Coronavirus Outbreak With Credit Card Debt

*Over 3 in 5 blamed necessities as the source of their debt*

New York – April 6, 2020 – Fifty-nine percent of credit cardholders, or about 110 million U.S. adults, entered the coronavirus outbreak with credit card debt, according to a new CreditCards.com report. Of those with credit card debt, 56%, or 61 million people, had been carrying that debt for at least one year. That includes 27 million (25%) who had been carrying debt for at least three years consecutively, and 17 million (15%) who had been in the red for at least five years. Click here for more information:

<https://www.creditcards.com/balance-transfer/#long-term-debt-poll>

Heading into the pandemic, 66% of Gen Xers (ages 40-55) and 66% of millennials (ages 24-39) with credit cards carried a balance from month to month. This compares to 57% of baby boomer (ages 56-74) cardholders.

Other groups who were more inclined to be carrying credit card debt at the time were cardholders who have kids under age 18 (71% vs. 55% of non-parents) and those with lower income (under \$40,000) and education levels (some college or less).

“The coronavirus outbreak is unfortunate proof that circumstances can change in an instant,” said CreditCards.com analyst Ted Rossman. “What many believed was manageable credit card debt has suddenly turned into a situation of uncertainty. Debtors who are facing financial hardships because of the pandemic should talk to their issuer immediately to see what types of relief programs are in place. A [0% balance transfer credit card](#) can also help spread payments out without accruing interest.”

Overall, 35% of those with credit card debt got into the red due to medical bills (13%), car repairs (12%) or home maintenance (10%). Another 26% blamed day-to-day expenses (groceries, child care, or utilities), meaning 61% accumulated their initial debt due to necessity. Just 31% pointed the finger at discretionary spending like retail purchases (18%) and vacations (12%).

Nearly half (49%) of credit card debtors were stressed about their credit card debt at the time the pandemic ramped up in the U.S. That included 13% who were very stressed. Millennials, parents with children under age 18, and lower earners were all more likely to be stressed back then.

“Many adults were already teetering on the financial edge, reliant on credit cards to pay for day-to-day bills and emergencies at the start of the COVID-19 outbreak,” added Rossman. “Credit card rates remain very high, over 17% for many cardholders, and Federal Reserve interest rate cuts won’t provide much relief. Things like payment relief programs, balance transfer cards, and even personal loan debt consolidation are all options right now and should be fully explored to save money and alleviate stress. Credit card debtors need to take matters into their own hands.”

### Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,526 adults, including 1,855 adults with a personal credit card and 1,086 with credit card debt. Fieldwork was undertaken on March 4-6, 2020. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront

during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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